

Message Text

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PAGE 01 KUALA 06250 230907Z
ACTION EA-12

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-15 H-01 INR-10 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 ICA-11 OES-07
SP-02 SS-15 STR-07 TRSE-00 ACDA-12 /128 W
-----027060 231136Z /14

R 230830Z JUN 78
FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC 5767
INFO AMEMBASSY SINGAPORE

LIMITED OFFICIAL USE KUALA LUMPUR 6250

E.O.11652: N/A
TAGS: ENRG, BENC, MY
SUBJECT: BINTULU LNG PROJECT

1. ACCORDING TO FLUOR AND BECHTEL REPS, PETRONAS WILL SOON BE SHORTENING THEIR LIST OF POSSIBLE CONTRACTORS FOR THE BINTULU LNG PLANT TO THE TOP THREE. FYI. THE LIST NOW INCLUDES BECHTEL, FLAOR, FOSTER-WHEELER, PULLMAN-KELLOG, LOOMIS AND PRO-CON-JAPANESE GASOLINE CORPORATION JOINT VENTURE. THE THREE CONTRACTORS CHOSEN WILL THEN BE PAID BY PETRONAS TO PREPARE A LUMP SUM BID FOR THE ENTIRE PROJECT.

2. BOTH AMERICAN CONTRACTORS TOLD US THAT THIS MECHANISM WILL DEFINITELY MAKE THE PROJECT MORE EXPENSIVE TO PETRONAS BUT FEEL THAT PETRONAS WOULD RATHER DO IT THIS WAY THAN DEAL WITH POSSIBLE COST OVERRUNS A LA INDONESIA IN THE FUTURE. BOTH CONTRACTORS ALSO FELT THAT THE PROCON-JGC JOINT VENTURE WAS IN THE BEST POSITION TO GET THE CONTRACT BECASUE OF "GOJ CREDITS."

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3. COMMENT: WE DO NOT KNOW WHAT GOJ CREDITS THE FLUOR AND BECHTEL REPS WERE REFERRING TO BUT HAVE ASKED THEM TO GIVE US ANY FURTHER INFORMATION THEY CAN GET ON JAPANESE OFFERS OF CONCESSIONAL TERMS. HOWEVER, WE BELIEVE THE CONTRACTOR THAT, IN THE EYES OF PETRONAS AND THE GOM, CAN FINISH THE JOB THE FASTEST WILL BE AWARDED THE CONTRACT BECAUSE OF THE EARLY DELIVERY DATE OF

THE LNG TANKERS ALREADY ON ORDER.
ROSENTHAL

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Message Attributes

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Draft Date: 23 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Litigation Codes:
Litigation History:
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Original Handling Restrictions: n/a
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